



STATE EMPLOYEES HEALTH CARE COMMISSION

*Kathleen Sebelius, Governor
Duane Goossen, Chairman
Connie Hafenstine, Commissioner
Sandy Praeger, Commissioner
Nancy Ruoff, Commissioner
John Staton, Commissioner*

The Kansas State Employees Health Care Commission

Minutes of Monday, March 30, 2009

Call to Order

The Kansas State Employees Health Care Commission (HCC) meeting was called to order at 1:30 p.m. in the KPERS Boardroom, 611 S. Kansas Avenue. Commissioners present were Duane Goossen (Chair), Sandy Praeger, Connie Hafenstine, Nancy Ruoff, John Staton, and Counsel Patrick Hurley.

1. Approval of Minutes

Chair Goossen asked for the approval of the February 6, 2009 HCC minutes.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER STATON TO APPROVE THE MINUTES OF FEBRUARY 6, 2009. MOTION PASSED 5-0.

2. Reports

Doug Farmer reported on the following matters:

- **Financial:** Status on the plan's expenses, current reserves, and future reserve projections.
- **Requests for Proposals:** Requests for Proposals for Vision, Long Term Care, and Dental are in process and Kansas Health Policy Authority (KHPA) is currently reviewing the bid responses.
- **Non-State Entities:** Status report on the current enrollment.
- **Direct Bill Dental:** Of the 10,740 direct bill members, 242 direct bill members elected to drop out of the dental plan. Once a member has elected to drop dental coverage, he or she will not be allowed back into the program.
- **Fraud Policy:** KHPA is developing a comprehensive policy to present to the HCC for consideration at a future meeting.
- **Electronic Components for Prosthetic Appliances:** No decision/action taken until the medical plan design is reviewed and discussed.
- **Bariatric Surgery:** KHPA continues to develop bariatric surgery benefits and will bring a proposal to the HCC for consideration.
- **HealthQuest Screening and PHA:** The State Employee Health Plan's (SEHP) HealthQuest program is offering free health screenings for eligible participants of the SEHP.
- **Caremark Renewal Proposal:** Caremark has proposed either a one or three year renewal of the pharmacy contract and they have also proposed a high performance preferred drug list option. KHPA will bring a proposal to the HCC for their consideration at a future meeting.

3. Employee Advisory Committee Report

Jan Sides reported on the Employee Advisory Committee (EAC) meeting that was held on March 9, 2009.

4. 2010 Plan Designs

Medical: Doug Farmer presented the financial summation for the medical plan. KHPA will present various plan designs and rate proposals at the April HCC meeting for review and decision.

Dental: Doug Farmer presented two options for the dental plan to the HCC; both options encouraged preventive care.

Option one increases the deductible from \$45 to \$50 annually and applies the deductible to all basic and major restorative services including regular restorative dentistry. If a member has received diagnostic or preventive care in the prior twelve months, then the member's benefits will remain at the level currently provided under the dental plan in plan year 2009. If the member did not receive diagnostic or preventive care in the preceding twelve-month period, the base benefit coinsurance will be reduced to 50% for all basic and major restoration services. Ninety days after a routine cleaning or exam service has been received, the coinsurance will return to the base benefit level for all services received after that date. Emergent care does not count toward meeting the diagnostic or preventive requirement. KHPA staff recommended dental plan design option one for the 2010 plan year.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER RUOFF TO ADOPT OPTION ONE DENTAL PLAN AS RECOMMENDED BY THE KHPA STAFF. MOTION PASSED 5-0.

5. Discussion Items

Salary Tiers: Doug Farmer summarized the current salary plan tiers, including salary level and number of employees in each tier. The EAC recommended that the HCC adopt the adjustment of the salary tiers by five percent. *

IT WAS MOVED BY COMMISSIONER STATON AND SECONDED BY COMMISSIONER HAFENSTINE TO ADOPT A FIVE (5) PERCENT SHIFT TO THE LOWER SALARY TIERS. RATES WILL BE DETERMINED AT THE NEXT HCC MEETING. MOTION PASSED 5-0.

Open Enrollment: Doug Farmer reported on the Open Enrollment Surveys.

6. Future HCC Meetings

The next scheduled meeting will be held in mid-April, date and time to be determined.

Adjournment

Meeting adjourned at 3:34 p.m.

* The five percent shift is characterized, by KHPA, as follows: The upper end of each salary tier was increased by \$1,000. The number of employees falling into the lowest salary tier (and therefore getting the cheapest premiums available) is increasing by twelve percent; the number of employees falling into the middle salary tier is increasing by one percent. This information was not provided during the meeting and has been added to clarify the recommendation.